

<b>Title 86   Part 100   Section 100.2170   Tax Credits for Coal Research and Coal Utilization Equipment (IITA 206)</b>
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**TITLE 86: REVENUE**

**PART 100  
INCOME TAX**

**Section 100.2170 Tax Credits for Coal Research and Coal Utilization Equipment (IITA 206)**

- a) *Until January 1, 2005, each corporation subject to the Illinois Income Tax Act shall be entitled to a credit against the tax imposed under IITA Sections 201(a) and (b) in an amount equal to 20% of the amount donated to the Illinois Center for Research on Sulfur in Coal (IITA Section 206).*
- b) *Until January 1, 2005, each corporation subject to the Illinois Income Tax Act shall be entitled to a credit against the tax imposed under IITA Sections 201(a) and (b) in an amount equal to 5% of the amount spent during the taxable year by the corporation on equipment purchased for the purpose of maintaining or increasing the use of Illinois coal at any Illinois facility owned, leased or operated by the corporation.*
  - 1) *Such equipment shall be limited to direct coal combustion equipment and pollution control equipment necessary thereto.*
  - 2) *For purposes of this credit, the amount spent on qualifying equipment shall be defined as the basis of the equipment used to compute the depreciation deduction for federal income tax purposes. This amount spent is the adjusted basis of each item of equipment as determined pursuant to IRC 167(g). Generally, the adjusted basis will be the purchase price of the property plus any capital expenditures less any rebates (IITA Section 206).*
  - 3) *In order to show that the equipment was purchased with the intent to maintain or increase the use of Illinois coal at any Illinois facility owned, leased or operated by the taxpayer, the taxpayer must demonstrate that the equipment was used for the combustion of Illinois coal during the taxable year or could reasonably have been so used but was not due to circumstances beyond the taxpayer's control.*
- c) *The credit shall be allowed for the tax year in which the amount is donated or the equipment purchased is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit may not reduce a taxpayer's liability below zero, nor may excess credit be carried to another year for years ending prior to December 31, 1987. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the earlier credit shall be applied first.*

(Source: Amended at 26 Ill. Reg. 1274, effective January 15, 2002)